

There has been an increase of about 10 per cent, in the amount transported by American vessels over the amount of the year. With the reduced cost of material which has taken place, it may reasonably be hoped that this change will be maintained and even increased. However, we pay about eighty millions of dollars annually to foreign vessels for the transportation of our surplus products to a market, and thus increase the balance of trade against us to this amount. The fact is one worthy of your serious consideration.

Deep transportation is a subject that has attracted the attention of both producers and consumers for the past few years, and has contributed to, if it has not been the direct cause of the recent paucity of stringency, and Congress at its last session appointed a special committee to investigate this whole subject during the session and report at this session. I have nothing to recommend until their report is made.

There is one work, however, of national importance in which the greater portion of the East and West, the North and South are equally interested, to which I will invite your attention. The State of New York has a canal connecting Lake Erie with the water on the Hudson river. The State of Illinois has a similar one connecting the Lake Michigan with navigable water on the Illinois river, thus making water communication inland between the East and the West and South. These great water courses are the property of the States through which they pass, and belong to those States. Would it not be a statesmanship to pledge these States that they will open these canals for the use of large vessels the government look after and keep in navigable condition the great public highways with which they connect, to wit: The overland route in the Hudson, the St. Clair and the Illinois and Mississippi rivers. This would be a national work and one of great benefit to the producers of the West and East in giving them cheap transportation to their produce to the seaboard and to consumers in the East in giving them cheap delivery of those articles of food which do not find a foreign market, and prices which are not regulated by foreign demands. The advantages of such a work are too obvious for argument. I leave this subject to you, therefore, without further comment.

In attempting to regain our lost commerce and carrying trade, I have heretofore called attention to the States south of us offering a field where much might be accomplished. To further the object I suggest a small appropriation be made to the Navy to fit out a naval vessel to explore the Amazon river, to explore that river and its tributaries into Bolivia, and to report to Congress at the next session, or soon as practicable, the accessibility of country by water, its resources and the position so reached. Such an expedition will cost but little. It can do no harm and may result in establishing a trade of benefit to both nations.

In further connection with the treasury department I would recommend a revision of the tariff laws and the re-issuance of more mints for coining money, and authority to coin for such nations as may apply.

WAR DEPARTMENT.

The action of Congress is wanted to re-organize the report of the Secretary of War herewith accompanying. The great cost of supporting the army is fully explained in the report, and will receive your attention.

While inviting your attention to all the recommendations made by the Secretary of War, there are two which I would especially ask you to consider.

First—The importance of preparing for the time of peace, by providing proper armaments for our sea coast defenses. Our armament is of vastly more importance than fortifications. The latter are supplied very speedily for temporary purposes when needed, the former cannot. The necessity of reopening the question in the staff corps of the army, particularly in this necessity felt in the medical, pay and ordnance department at the time. It is necessary to employ competent surgeons to supply the necessary medical attention required by the army. In the present force of the pay department it is now difficult to make the payment to troops provided by law. Long delay in payments are productive of desertion and demoralization, and the law provides payment of troops by other than regular paymasters. There are now vacancies in the ordnance department, thus leaving that branch of the service without sufficient officers to conduct the business of the different arsenals on a scale if ever required.

NAVAL DEPARTMENT.

During the past year the navy has been aided by the sale of some vessels no longer fit for naval purposes and by the sale of others not yet disposed of. However, there has been more than compensated for by the repair of six of the old ships and by the building of eight new ships of war authorized by the last Congress. The building of these latter has been a doubly fortunate time. They have been completed when they were badly needed, and the work has not only given employment to thousands of men but has no doubt been a means of keeping open establishments and other works at the time of the great naval distress. Since the commencement of last month, however, the distress circumstances which have taken place in the waters of the Caribbean sea, almost on every seaboard, while they illustrate the necessity always existing of a nation situated as ours should maintain a state of efficiency a navy adequate to its responsibility, has at the same time showed that all the effective force we have shall be put in immediate readiness for warlike service. This has been done promptly and effectively. I am assured that all the available ships authorized man of the American navy will be ready for whatever action is demanded for the safety of our citizens or maintenance of our honor. This of course will cause the expenditure in a short time of some of the appropriations which are calculated to extend through the year, but Congress will, I doubt not, understand and appreciate the emergency and provide adequately not only for present preparation, but for the future maintenance of our naval force. The Secretary of the Navy has, during the past year, been quietly putting some of our most ex-

tensive monitors in readiness for service, and thus the exigency finds us in a much better condition for work than we could possibly have been without his labors.

POST-OFFICE DEPARTMENT.

A complete exhibit is presented in the accompanying report of the Postmaster General of the operations of the Postoffice Department during the year. The ordinary postal revenues for the fiscal year ending June 30, 1873, amounted to \$22,966,741.57, and the expenditures of all kinds \$29,084,945.67. The increase in revenues of 1872 was \$1,081,315.29, and the increase in expenditures, \$246,573.36. Independent of payments made from special appropriations for mail steamship lines, the amount drawn from the general treasury to meet deficiencies was \$5,265,475. The constant and rapid extension of our postal service, particularly upon railroads, and the improved facilities for the collection, transmission, distribution and delivery of mails which are constantly being provided, account for the increase of the expenditures of this popular branch of public service. The number of post-offices in operation on the 30th of June, 1873, was 33,244, a net increase of 1,381 over the number reported the preceding year. The number of presidential offices was 1,303; increase of 163 during the year. The total length of railroad mail routes at close of the year was 6,345,770, an increase of 5,506 miles in the year of 1872. Fifty-nine railroad post-office lines were in operation on the 30th of June, 1873, extending over 14,806 miles of railroad routes, and performing an aggregate service of 64,925 miles. The number of letters exchanged with foreign countries was 77,459,185. Increase of 30,296,685 over the previous year, and the postage thereon amounted to \$202,131,086, and the total weight of correspondence exchanged in mails with Europe exceeded 912 tons, an increase of 92 tons over the previous year.

The total cost of the United States ocean mail steamship service, including \$835,000 paid from special appropriations to subsidize lines of mail steamers was \$104,727,135. New or additional postal connections have been concluded with Sweden, Norway, Belgium, Germany, Canada and Japan, reducing the postal rates of correspondence exchanged with these countries. Intellectual efforts have been made to conclude a satisfactory convention with France, but without success.

I invite the favorable consideration of Congress to the suggestions and recommendations of the Postmaster-General for an extension of the office delivery system in all cities of not less than ten thousand; the prepayment of postage on newspapers and other printed matter of second-class; for uniform postage and limit of weight of miscellaneous matter; for adjusting compensation of all post-masters not appointed by the President by the old method of commissions on actual receipts of offices instead of the present mode of fixing salary in advance in special returns. Especially do I urge favorable action by Congress on the recommendation of the Postmaster General for the establishment of the Postal Saving Depository.

Your attention is also called to a consideration of the postal telegraph and the arguments adduced in support thereof, in the hope that you may take such action in connection therewith as in your judgment will most contribute to the best interest of the whole country.

DEPARTMENT OF JUSTICE.

Affairs in Utah require your early and special attention. The Supreme Court of the United States in the case of Clinton vs. Englebrecht, decided that the United States Marshal of that Territory could not lawfully summon jurors for district courts, and those courts hold that the Territorial Marshal faithfully performs that duty, though he is elected by the Legislative Assembly, and is not appointed as provided in act organizing the Territory. All proceedings at law are practically abolished by these decisions, and there have been but few or no jury trials in the District Courts of that Territory since the last session of Congress. The public is left without protection by courts, and crimes go unpunished. To prevent anarchy there it is absolutely necessary that Congress provide the courts with some mode of obtaining jurors, and I recommend legislation to that end; also, that the probate courts of the Territory, which now assume to issue writs of injunction and habeas corpus, and to try criminal cases, and in questions as to land titles, be denied all jurisdiction not possessed ordinarily by courts of that description.

I have become impressed with the belief that the act approved March 22, 1867, entitled, an act to establish a uniform system of bankruptcy throughout the United States is productive of more evil than good at this time. Many considerations might be urged for its total repeal, but if this is not considered advisable I think it will not be seriously questioned that those portions of said act providing for what is called involuntary bankruptcy operate to increase financial embarrassment of the country. Careful and prudent men very often become involved in debt in transactions of business, and though they may possess ample property if it could be made available for that purpose, to meet all their liabilities, and yet of account of the extraordinary scarcity of money they may be unable to meet all their obligations as they become due, in consequence of which they are liable to be prostrated by proceedings in bankruptcy at the instance of unrelenting creditors. People are so easily alarmed as to money matters that the mere filing of a petition in bankruptcy by an unfriendly creditor will embarrass and oftentimes accomplish financial ruin of a responsible business man. Those who otherwise might make lawful and just arrangements to relieve themselves from difficulties brought on by the present stringency in the money market, are prevented by their constant exposure to attack and disappointment by proceedings against them in bankruptcy, and besides the law as made operates to allow in many cases obdurate creditors to frighten or force debtors into a compliance with their wishes and into acts of injustice to other creditors, and to themselves. I recommend that so much of said act as provides for involuntary bankruptcy on account of suspension of payment, be repealed.

Your careful attention is invited to the subject of claims against the Government and facilities offered by existing laws for their prosecution. Each of the Departments of State, Navy and War, have demands for many millions of dollars upon their files and they are rapidly accumulating. To these may be added those now

pending before Congress, Committee of Claims, and Southern Claims Commission, making in the aggregate an immense sum. Most of these grew out of the rebellion, and are intended to indemnify persons on both sides for their losses during the war, and not a few of them are fabricated and supported by false testimony. Projects are on foot, it is believed, to induce Congress to provide for new classes of claims and to revive old ones through the repeal or modification of the statute of limitation, by which they are now barred. I presume these schemes, if proposed, will be received with little favor by Congress, and I recommend persons having claims against the United States recognizable by any tribunal department thereof, be required to present them at an early day and legislation be directed, as far as practicable, to the defeat of unfounded and unjust demands on the Government, and I would suggest as a means of preventing fraud, witnesses be called on to appear in person to testify before these tribunals, having said claims before them for adjudication. Probably a larger saving to the National Treasury can be secured by timely legislation on these subjects, than any other economic measures that will be proposed. You will be advised of the operations of the Department of Justice by the report of the Attorney General, and I invite your attention to the amendment of existing laws suggested by him with a view of reducing the expenses of that department.

DEPARTMENT OF THE INTERIOR.

The policy inaugurated towards the Indians at the beginning of the last administration has been steadily pushed, and I believe with beneficial results. It will be continued with such modifications as experience may demonstrate to be necessary. With the encroachment of civilization upon the Indian reservation and hunting grounds, disturbances have taken place between the Indians and whites during the past year and probably will continue to do so until each race appreciates that the other has rights which must be respected. The policy has been to collect the Indians as rapidly as possible on reservations, and as far as practicable within what is known as the Indian Territory, and to teach them the arts of civilization and self-support. When found off their reservation and endangering the peace and safety of the whites they have been punished.

The Indian Territory south of Kansas and east of Arkansas is sufficient in area and agricultural resources to support all the Indians of the Rocky Mountains. In time, no doubt, all of them, except a few, who may select to make their homes among white people, will be collected there. As a preparatory step for this consummation I am now satisfied that a territorial form of government should be given them, which will secure the treaty rights of the original settlers and protect their homesteads from alienation for a period of twenty years. The operations of the patent office are growing to such magnitude and the accumulation of material is becoming so great that the necessity for more room is becoming obvious day by day. I respectfully invite your attention to the report of the Secretary of the Interior and Commissioner of Patents on this subject. The business of the general land-office exhibited a material increase in all its branches during the last fiscal year. During that time there were disposed out of the public lands 13,030,666 acres, being an amount greater by 116,563 acres than was disposed of the preceding year. Of the amount disposed of, 1,626,206 acres were sold for cash; 214,940 acres were located with military land warrants; 3,768,612 acres were taken for homesteads; 65,346 acres were located with agricultural college scrip; 6,083,536 acres were certified by railroads; 765,756 acres were granted to wagon roads; 238,548 acres were approved to States as swamp lands; 138,681 acres were certified for agricultural colleges, common schools, universities and seminaries; 190,775 acres were apportioned, it states, for internal improvements, and 14,222 acres were located with Indian scrip.

The cash receipts during the same time were \$3,408,515.50, being \$190,415.50 in excess of the receipts for the previous year. During the year 30,388,122 acres of public land were surveyed, an increase of the amount surveyed the previous year of 1,037,193 acres, and added to the area previously surveyed, aggregates 616,554,895 acres which have been surveyed, leaving 1,218,443,565 acres of the public land still unsurveyed.

The increased and steadily increasing facilities for reaching our unoccupied public domain and for the transportation of surplus products enlarges the available field for desirable homestead locations, thus stimulating settlement and extending year by year in a gradually increasing ratio the ratio of occupation and of cultivation. The expressed desire of the representatives of a large colony of the citizens of Russia to emigrate to this country, as is understood, with the consent of their Government, if certain concessions can be made to them to settle in a compact colony, is of great interest, arguing to show the light in which our institutions are regarded by an industrious, intelligent and wealthy people, desirous of enjoying civil and religious liberty, and the acquisition of so large an immigration of citizens of a superior class would, without doubt, be of much substantial benefit to the country.

I invite attention to the suggestion of the Secretary of the Interior in this behalf. There was paid during the last fiscal year for pensions, including the expenditure of disbursement, \$29,185,289.52, being an amount less by \$1,984,050.98 than was expended for the same purpose the preceding year. Although this statement of expenditures would indicate a material reduction of the amount as compared with the preceding year, it is believed that the changes in the pension laws at the last session of Congress will absorb that amount the current year. At the close of the last fiscal year there were on the pension rolls 29,804 invalid military pensioners, and 112,088 widows, orphans and dependent widows of deceased soldiers, making a total of that class of 211,892; 8,209 Americans of the war of 1812, and 5,653 widows of soldiers of that war pensioned under the act of Congress of February 14th, 1871; making a total of that class of 13,319.

One thousand four hundred and thirty navy pensioners, and 1,770 widows and orphans and dependent relatives of deceased officers, sailors and marines of the navy pensioners of \$2.50, and a grand total of pensioners of all classes of 238,411, showing a net increase during the last fiscal year of 6,218; the names of 1,645 pensioners were added to the rolls, and 10,233 names were dropped therefrom

for various causes. The system adopted for the detection of frauds against the government in the matter of pensions has been productive of satisfactory results, but legislation is necessary to provide, if possible, against the perpetrating of such frauds in future.

The evidently increasing interest in the cause of education is a most encouraging feature in the general progress of the country, and the Bureau of Education is in earnest in its efforts to give proper direction to the new applicants and the increased facilities to the country. The Ninth Census has been completed and the report thereof published and distributed, and the working force of the bureau disbanded. The Secretary of the Interior renews his recommendation for a census to be taken in 1875, to which subject the attention of Congress is invited. The original suggestion in that behalf has met the general approval of the country, and even if it be not deemed advisable at present to provide for a quinquennial census, a census taken in 1875, the report of which could be completed and published before the one-hundredth anniversary of our independence would be especially interesting and valuable as showing the progress of the country during the first century of our national existence. It is believed, however, that a regular census every five years would be of substantial benefit to the country, inasmuch as our growth hitherto, has been so rapid that the results of the decennial census are necessarily unreliable as a basis of estimates for the latter years.

DISTRICT OF COLUMBIA.

Under the very efficient management of the Government and the Board of Public Works of this District, the City of Washington is rapidly assuming the appearance of a capital of which the nation may well be proud. From being a most unsightly place three years ago, disagreeable to pass through in summer in consequence of the dust arising from unpaved streets, and almost impassable in the winter from the mud, it is now one of the most sightly cities in the country, and can boast of being the best paved. The work has been done systematically, the plans, grades, location of sewers, water and gas mains being determined upon before the work was commenced, thus securing permanency when completed. I question whether so much has ever been accomplished before in any American city for the same expenditures.

The Government having a large reservation in the city, and the nation at large having an interest in the capital, I recommend a liberal policy toward the District of Columbia, and that the Government should bear its just share of the expense of these improvements. Every citizen visiting the capital feels a pride in its growing beauty and that he too is part owner in the investments made here. I would suggest to Congress the propriety of promoting the establishment in this District of an institution of learning, or university of the highest class, by the donation of lands. There is no place better suited for such an institution than the national capital, there is no other place in which every citizen is so directly interested.

CIVIL SERVICE REFORM.

In three successive messages to Congress I have called attention to the subject of civil service reform. Action has been taken so far as to authorize the appointment of a board to devise rules governing the methods of making appointments and promotions, but there never has been any action on these rules or any rules pending, or even entitled to observance. When persons desire the appointment of a friend, or the removal of an official who may be disagreeable, to have any rules effective, they must have the acquiescence of Congress as well as of the executive.

I recommend, therefore, the subject to your attention, and suggest that a special committee of Congress might confer with the Civil Board during the present session for the purpose of devising such rules as may be maintained and which shall secure the services of honest and capable officials and which will also protect them in a degree of independence while in office. Proper rules will protect Congress as well as the Executive from much needless precaution, and will prove of great value to the public at large.

COLORADO.

I would recommend for your favorable consideration the passage of an act for the admittance of Colorado as a State in the Union. It possesses all the elements of a prosperous State, agricultural and mineral, and I believe has a position to justify such an admittance. In that connection, I would also recommend the encouragement of a canal for the purpose of irrigating from the Eastern slope of the Rocky Mountains to the Missouri River. I am opposed to the donation of public lands for internal improvements owned and controlled by private corporations, but in this instance I would make an exception. Between the Missouri river and the Rocky Mountains there is an area belt of public land from 300 to 500 miles in width, perfectly valueless for the occupation of man for want of sufficient rain to secure the growth of any products. An irrigating canal would make productive a belt as wide as the supply of water could be made to spread over and across this entire country, and would secure a cordon of settlements connecting the present population of the mountain and mining regions with that of the older States. All the land reclaimed would be clear gain. If the alternate sections were retained by the Government, I would suggest that the retained sections be thrown open to entry under the homestead law, or sold to actual settlers for very low prices.

GENERAL AMNESTY.

I renew my previous recommendations to Congress for a general amnesty. The number engaged in the late rebellion laboring under disadvantages is very small but enough to keep up a constant irritation. No possible danger can ensue to the government by restoring them to eligibility to hold office.

I suggest for your consideration the enactment of a law to better secure the civil rights which freedom should secure, but has not effectually secured to the enfranchised slave.

(Signed) U. S. GRANT.

—A "female Savior" is creating a prodigious sensation in the southern part of the Russian Empire. She claims to be the daughter of God, selected to suffer for the redemption of her sex. In the same way that Christ died for the salvation of man, she professes to be able to heal the sick, give sight to the blind, and raise the dead.

Protocol of the Conference between Secretary Fish and Admiral DeBarnabee.

The following is the protocol of the conference held at the Department of State in Washington, on the 26th day of November, 1873, between Hamilton Fish, Secretary of State, and Rear Admiral Don Jose DeBarnabee, Envoy Extraordinary and Minister Plenipotentiary of Spain.

The undersigned, having met for the purpose of entering into a definitive agreement respecting the case of the steamer Virginia, which, while under the flag of the United States, was, on the 21st day of October last, captured on the high seas by the Spanish iron-clad war vessel, Yarnado, have reached the following conclusions:

Spain, on her part, stipulates to restore forthwith the vessel referred to, and the survivors of the passengers and crew, and on the 25th day of December next to salute the flag of the United States. If, however, before that date, Spain should prove to the satisfaction of the Government of the United States that the Virginia was not entitled to carry the flag of the United States, and was carrying it at the time of her capture without right, and improperly, the salute will be spontaneously dispensed with, as by such case not being necessary or requisite. But the United States will expect, in such case, a disclaimer of intent of indignity to its flag by any act which was committed. Further, that on or before the 25th of December, 1873, it shall be made to appear to the satisfaction of the United States that the Virginia did not rightfully carry the American flag, and was not entitled to American papers, the United States will institute inquiry, and adopt legal proceedings against the vessel, if it be found that she has violated any law of the United States, and against any of the persons who may appear to have been guilty of illegal acts in connection therewith; it being understood that Spain will proceed according to the second proposition made to Gen. Zwickles, and communicated in his telegram to Admiral Polo on the 27th inst., to investigate the conduct of those authorities who have infringed Spanish laws and honorary obligations, and will arrange them before competent courts, and inflict punishment upon whoever may have offended.

Other reciprocal reclamations to be subject to consideration and arrangement between the two Governments, and in case of no agreement to be the subject of arbitration, the constitutional assent of the Senate of the United States being given thereto. It is further stipulated that the time, manner and place for the surrender of the Virginia and the survivors of those who were on board of her at the time of her capture, and also the time, manner and place for the salute to the flag of the United States, if there should be occasion for such a salute, shall be subject to agreement between the undersigned within the next two days.

(Signed) HAMILTON FISH, JOSE POLO DE BARNABEE.

ANOTHER TERRIBLE DISASTER.

Loss of the Steamship Ville de Havre—Two Hundred and Twenty-six Lives Lost.

By telegraph from London, Dec. 1, we have intelligence of the sinking of the French steamship Ville de Havre, caused by a collision with the English steamer Loch Erne, at 2 o'clock on the morning of Nov. 20, by which two hundred and twenty-six lives were lost. The Ville de Havre at the time of the disaster was on her regular trip from New York to Havre, having left the former port on Nov. 15. The Loch Erne was badly damaged by the collision, but lowered her boats and succeeded in picking up eighty-seven of the passengers and crew, which she afterward transferred to the Tri-Mountain, which landed them at Cardiff. The Ville de Havre sunk in twelve minutes from the time she was struck.

Fireless Locomotives.

When the London Metropolitan Underground Railway first went into operation, it was supposed that the traffic would never require the running of more than three trains per day. But there are now forty per hour, and consequently much complaint is made regarding the defective ventilation. The Engineer proposes to remedy the evil by doing away with the locomotive furnace and generating at convenient points, by means of stationary Siemens furnaces, a sufficient amount of steam to carry the train through. Two methods of carrying this scheme out in practice suggest themselves: either the pressure carried in the boiler, to begin with, must be so great that in falling to the working pressure sufficient sensible heat will be available for conversion into latent heat, or enough water must be carried to supply all the steam required, although the pressure falls only a few pounds. Under the first system the boiler pressure would be say four hundred pounds on a square inch, but a reducing valve would be provided by which steam of say more than one hundred and twenty pounds would have reached the cylinder. The pressure would fall probably to one hundred pounds during a run, and then the boiler would be again supplied with water, and the high pressure again attained at the stationary furnace, preparatory to another run. But if, instead of using a very high pressure, the quantity of water were augmented, the action and method of working would be the same.

Provided not more than ten minutes were required to raise steam, the Engineer says that the scheme could be applied without difficulty. At each terminus of a tunnel there would be arranged Siemens furnaces with some slight modifications. Each engine would be brought over a suitable gas-burner, if we may use the word, and steam would be got up with lightning speed. It would only be necessary to bring the engine over a gas-burner on a side track, turn on the flame, and run up the pressure. Engine would succeed engine with perfect regularity, and the production of steam would be really continuous. In a word, the engines would take in heat as they now take in water. The advantages of this system are, that not only is the tunnel kept free of the deleterious gases of combustion, but a great saving might be effected in fuel. Any kind of coal would give good results in the Siemens gas-producer, whereas the most expensive coal has to be used in the ordinary locomotive furnace.—Galaxy.

AMONG the officers in charge in Houston during the late war was General Griffin. A freedman, Pomp, was one day conversing with the General, when he spied his former young master, whom he had not seen since the commencement of hostilities. Pomp ran to him, and exclaimed, "God bless you, Mars Charles! I's mighty glad to see yer! How's de ole missus an' Mars John?" After Pomp had finished his demonstrations of joy the General said, "Pomp, you need not call him master now; you are just as good as he is." "What?" said Pomp: "me jus' as good as Mars Charles? No, sah, General Griffin! I may be jus' as good as you is, but I ain't so good as Mars Charles—no, sah!"

—Last August, a man was killed by the cars at Kokomo Junction, Indiana. A few evenings since his brother was killed by the same train, the same engineer running it, at the same hour and same place.